

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.





Peanuts

PROGRAM FOR 1950

PRICE SUPPORTS

ACREAGE ALLOTMENTS

MARKETING QUOTAS

**HERE
are the
FACTS**

PRODUCTION AND MARKETING ADMINISTRATION
United States Department of Agriculture

PA-84

WHAT THIS IS ABOUT

If you plan to grow peanuts for market in 1950, this information is important to you because it tells how to become eligible for Federal price support.

The Agricultural Adjustment Act of 1938, as amended, provides a means for peanut growers to assure themselves a reasonable return for their peanut crops, and a method for cooperatively adjusting their production to requirements. The U. S. Department of Agriculture is directed by law to support the price of the 1950 peanut crop to cooperating growers at 90 percent of the parity price, as growers have approved marketing quotas for the 1950 crop.

A national marketing quota for 1950 was announced by the Secretary of Agriculture on November 30, 1949. The national marketing quota represents the quantity of peanuts from the 1950 crop needed to meet estimated requirements.

Acreage allotments are used to divide the national marketing quota among peanut producers. The national acreage allotment for 1950 is 2,100,000 acres.

The 1950 national acreage allotment has been apportioned among peanut-producing States according to legislative formula. Each State allotment has been divided among peanut-producing farms through the farmer-elected Production and Marketing Administration (PMA) Committees. Farm allotments for 1950 are based on such factors as production history,

tillable acreage available for the production of peanuts, and farm acreage allotments for the 1949 crop of peanuts.

HOW YOUR FARM FITS INTO THE PROGRAM

1. If peanuts were grown on your farm in any one of the 3 years--1947, 1948, or 1949--the law provides for establishing an acreage allotment for your farm for 1950.

2. The allotment is the acreage that your county PMA committee determines is fair and equitable for your farm on the basis of the tillable acreage available for the production of peanuts and the past acreages of peanuts on your farm, taking into consideration the peanut-acreage allotment established for your farm for 1949.

3. The amount of the farm marketing quota for your farm is the actual production of the farm acreage allotment, and no peanuts may be marketed under that quota other than peanuts actually grown on that farm.

4. If your picked and threshed acreage in 1950 does not exceed the acreage allotment for your farm, you will (a) be eligible for price support at 90 percent of parity and (b) be entitled to market your crop penalty free.

5. If your picked and threshed acreage in 1950 exceeds the acreage allotment for your farm, you will (a) not be entitled to price support on any of your 1950 crop and (b) be required to pay a pen-

alty on each lot of peanuts marketed. The rate of the penalty that is paid on each lot is calculated so that when the total 1950 production of peanuts from your farm has been marketed, you will have paid a total penalty equal to 45 percent of the parity price per pound (50 percent of the basic loan rate) for all peanuts marketed in excess of the farm marketing quota.

6. Under the law, acreage harvested in excess of the farm acreage allotment for any year cannot be considered in establishing the allotment for the farm until the third year following the year in which such excess acreage was harvested.

7. If the total picked and threshed acreage on your farm in 1950 is 1 acre or less, all or any part of your crop may be marketed penalty free.

8. If you own or operate more than one farm on which peanuts will be produced for market in 1950, there are certain regulations governing multiple compliance you will need to know. Your county PMA committee will be glad to explain them to you.

9. The law provides that any peanut grower who has reason to believe that his allotment or marketing quota has not been properly determined may apply for a review of the determination. Special review committees of producers are established by the Secretary of Agriculture to review such cases. Any such application for review, and all requests for

further information about price supports, acreage allotments, and marketing quotas should be taken to your county PMA committee.

THE PEANUT "SITUATION" FOR 1950

The national marketing quota for 1950 is 643,000 tons. This quota was announced by the Secretary of Agriculture on November 30, 1949. It represents the quantity of peanuts equal to the average quantity harvested for nuts during the 5 years 1944-48, adjusted for current trends and prospective demand conditions.

The Agricultural Adjustment Act of 1938, as amended, provides that the national acreage allotment be determined from the national marketing quota on the basis of the 5-year normal yield. This determination would have resulted in a national allotment for 1950 of about 1,934,000 acres.

However, in legislation passed in August 1949, the Congress specified that the 1950 national peanut acreage allotment should be not less than 2,100,000 acres, and it has therefore been set at this figure. This action has the effect of increasing above the national quota the amount of peanuts that can be marketed without penalty from the 1950 crop.

The Congress further specified that on the basis of a 2,100,000-acre national allotment, no State allotment shall be less than the larger of the 1941 State allotment or 60 percent of the 1948 picked and threshed acreage for the State. The 1950 State allotments have been set on this basis.

The tremendous demand for food and oil during the war resulted in an increase in peanut acreage and an expansion in the peanut-growing area. In the 10-year period, 1937-46, United States peanut acreage averaged 2,531,000 acres, and production averaged 875,359 tons. In 1947, acreage had climbed to 3,380,000 acres, and production was up to 1,091,500 tons.

With prospective demand on the down grade, and the trend of production still upward, marketing quotas were proclaimed for the 1948 crop, as required by law. Growers approved the use of quotas for the 3-year period 1948-50. As the United States intensified its efforts to help solve the world shortage of foods, fats, and oils, it was decided that marketing quotas would not be necessary in 1948, and the program for that year was suspended. As a result, 3,311,000 acres were harvested in 1948.

After the 1948 crop was harvested, it became evident that a surplus was in sight unless the 1949 crop were adjusted in line with expected needs. A national marketing quota was therefore established for the 1949 crop, and resulted in a national acreage allotment of 2,628,970 acres. Farm acreage allotments for 1949 were based on this figure.

Washington, D.C.
January 1950